



General Assembly

February Session, 2010

***Raised Bill No. 5501***

LCO No. 2331

\* \_\_\_\_\_HB05501CE\_FIN032310\_\_\_\_\_\*

Referred to Committee on Commerce

Introduced by:  
(CE )

***AN ACT CONCERNING THE S.A.F.E. ACT 2009.***

Be it enacted by the Senate and House of Representatives in General Assembly convened:

1       Section 1. (NEW) (*Effective July 1, 2010*) (a) There is established a  
2       fund to be known as the "State Assisted Fund and Exchange Fund".  
3       The fund shall contain any moneys required by law to be deposited in  
4       the fund. Any balance remaining in the fund at the end of any fiscal  
5       year shall be carried forward in the fund for the fiscal year next  
6       succeeding. The fund shall be used to provide secondary market  
7       capital liquidity for certain state chartered banking institutions  
8       pursuant to subsection (b) of this section and to pay reasonable and  
9       necessary expenses incurred by the Commissioner of Economic and  
10      Community Development in administering such capital under this  
11      section.

12      (b) The Commissioner of Economic and Community Development,  
13      in consultation with the State Assisted Fund and Exchange Committee,  
14      established pursuant to subsection (c) of this section, may enter into a  
15      contract to provide (1) secondary market capital liquidity for state  
16      chartered banking institutions authorized by the Commissioner of  
17      Economic and Community Development to originate small and mid-

18 size business credit loans and credit facilities in the state, and (2)  
 19 liquidity to quasi-public and economic development agencies to  
 20 originate small and mid-size business credit loans to small businesses  
 21 on a local or regional level. Banks eligible for funds pursuant to this  
 22 section shall meet Banking Department licensing and lending  
 23 requirements and all such originations shall meet Department of  
 24 Economic and Community Development credit underwriting  
 25 guidelines. When funds are no longer available under section 2 of this  
 26 act, the Department of Economic and Community Development shall  
 27 exchange all originations as simple whole loans with the United States  
 28 Treasury for an amount that is not less than the total amount of all  
 29 originations, including the cost of originations.

30 (c) There is established a State Assisted Fund and Exchange  
 31 Committee, which shall be comprised of one employee from each of  
 32 the following: (1) The Banking Department, (2) the Office of Policy and  
 33 Management, (3) the Office of the State Treasurer, (4) the Office of the  
 34 State Comptroller, (5) the Connecticut Development Authority, and (6)  
 35 the Department of Economic and Community Development. Said  
 36 committee shall advise the Commissioner of Economic and  
 37 Community Development with regard to expenditures from the State  
 38 Assisted Fund and Exchange Fund, established pursuant to subsection  
 39 (a) of this section, including, but not limited to, developing guidelines  
 40 for eligibility for funds.

41 Sec. 2. (*Effective July 1, 2010*) (a) For the purposes described in  
 42 subsection (b) of this section, the State Bond Commission shall have  
 43 the power, from time to time, to authorize the issuance of bonds of the  
 44 state in one or more series and in principal amounts not exceeding in  
 45 the aggregate five million dollars. Any such issuance shall be subject to  
 46 the availability of federal funding.

47 (b) The proceeds of the sale of said bonds, to the extent of the  
 48 amount stated in subsection (a) of this section, shall be used by the  
 49 Department of Economic and Community Development for the  
 50 purpose of providing secondary market capital liquidity for certain

51 state chartered banking institutions pursuant to subsection (b) of section  
52 1 of this act.

53 (c) All provisions of section 3-20 of the general statutes, or the  
54 exercise of any right or power granted thereby, which are not  
55 inconsistent with the provisions of this section are hereby adopted and  
56 shall apply to all bonds authorized by the State Bond Commission  
57 pursuant to this section, and temporary notes in anticipation of the  
58 money to be derived from the sale of any such bonds so authorized  
59 may be issued in accordance with said section 3-20 and from time to  
60 time renewed. Such bonds shall mature at such time or times not  
61 exceeding twenty years from their respective dates as may be provided  
62 in or pursuant to the resolution or resolutions of the State Bond  
63 Commission authorizing such bonds. None of said bonds shall be  
64 authorized except upon a finding by the State Bond Commission that  
65 there has been filed with it a request for such authorization which is  
66 signed by or on behalf of the Secretary of the Office of Policy and  
67 Management and states such terms and conditions as said commission,  
68 in its discretion, may require. Said bonds issued pursuant to this  
69 section shall be general obligations of the state and the full faith and  
70 credit of the state of Connecticut are pledged for the payment of the  
71 principal of and interest on said bonds as the same become due, and  
72 accordingly and as part of the contract of the state with the holders of  
73 said bonds, appropriation of all amounts necessary for punctual  
74 payment of such principal and interest is hereby made, and the State  
75 Treasurer shall pay such principal and interest as the same become  
76 due.

This act shall take effect as follows and shall amend the following sections:		
Section 1	<i>July 1, 2010</i>	New section
Sec. 2	<i>July 1, 2010</i>	New section

***CE***

***Joint Favorable C/R***

***FIN***